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TAGS: [PGOV](#) [KDEM](#) [PREL](#) [EC](#)
SUBJECT: ECUADOR ELECTION: WHAT'S AT STAKE

Classified By: PolChief Erik Hall for reasons 1.4 (b&d)

¶1. (C) Summary: With the candidates finally defined and the formal campaign period to open on August 29, more Ecuadorians are undecided than have a presidential favorite for first-round elections on October 15. In the past, public disenchantment with the political party elite has favored outsiders like ex-president Gutierrez, who came from nowhere in the early polls to win in 2002. This time around, the most appealing outsider candidate is Rafael Correa, who is currently contending with Cynthia Viteri of the PSC and Alvaro Noboa of the PRIAN for the second-place spot which would set up an unpredictable November 26 run-off with front-runner Leon Roldos (ID-RED). While none of the candidates will return the bilateral relationship to the halcyon days when then-president-elect Lucio Gutierrez declared himself our "strongest ally in Latin America," none of the top contenders would affect USG interests as thoroughly as Rafael Correa. Thus far, support for the young, charismatic Correa has not taken off among early decided voters, and his recent visits with Chavez and now Kirchner appear to be a ploy for free publicity. He remains the most important candidate to watch as Ecuador's poorest decide their votes. End Summary.

USG Democracy Interests at Stake

¶2. (C) Political instability here severely limits the GOE, weakening governments by making them vulnerable to destabilization. The next elected president will be Ecuador's eighth in the past decade, and will be faced with similar challenges which have toppled the past three elected presidents well before the end of their terms. To break the cycle of instability, Ecuador badly needs a president to serve out a four year term.

¶3. (C) The 43-year-old Correa touts himself as a "modern socialist" but as the outsider promising to confront some basic institutions (notably Congress, but also the military), is the candidate most likely to get run out of office. Of the top candidates, only Correa is running without a corresponding congressional slate and is proposing to put the new Congress immediately aside to convoke a constituent assembly (which requires congressional approval he is unlikely to get). A Correa victory would immediately antagonize relations with traditional political parties, the Congress, and the judicial branch (where party interests hold sway in the Constitutional Court), generating public uncertainty and renewed political instability. That said, without stabilizing reforms, most of the other contenders are also vulnerable.

Other USG Interests: Security Cooperation, Commerce

¶4. (C) Correa's positions on other USG interests are of no less concern to us. His views against renewal of the Manta FOL agreement (like the former Foreign Minister, he would "cut off his hand before signing a renewal"), which expires in 2009, is shared by most other candidates, including Roldos, and with the exception of Cynthia Viteri, who has waffled on the issue.

¶5. (C) But Correa, a former finance minister and economist, has staked out his harshest positions on economic issues, and his election would derail any hope for more harmonious commercial relations with the United States. He has publicly relegated the idea of an FTA with the U.S. "to the trashcan of history, where it belongs," and called for a more regulated, less corrupt economy focused more effectively on generating employment. "The neo-liberal model has failed," he bluntly asserts, and must be replaced by something new, including government control of all aspects of petroleum exploitation, reduction of the value added tax, and increased import tariffs.

¶6. (C) Correa recently told interviewers he considers Nestor Kirchner a role model, for Kirchner's "pragmatism" and defiance of international financial institutions in favor of social justice and Argentine economic revival. He is currently visiting Argentina to meet with Kirchner and social groups there. The choice of Kirchner as a hero is politically apt here, probably intended to counter popular conceptions of Correa as a stalking-horse for the more controversial Chavez. As minister, Correa disrupted relations with the IFIs, and courted Chavez in search of financing alternatives (which have largely not materialized), fueling unconfirmed speculation of possible support from Chavez for Correa's campaign. Were he to be elected president, we would expect Correa to eagerly seek to join the Chavez-Morales-Kirchner group of nationalist-populist South American leaders.

How Serious A Threat?

¶7. (C) Representatives of the major political parties here (Democratic Left in the highlands and the Social Christians on the coast) tend to denigrate the electoral threat Correa represents, despite having the most to lose if Correa surges. PSC leader Leon Febres Cordero called Correa "rude" ("malcriado") in his confrontation with Cynthia Viteri, praising Viteri for her capable handling of his barbs during the August 22 public debate. Others are baffled by Correa's slow growth in the polls. Cesar Montufar, leader of the Democratic Key movement and a reformist leftist congressional candidate, asserts that the Correa campaign's ideological cast has only limited appeal for Ecuador's poor majority. These voters just do not care whether U.S. forces have access to the Manta base, for example. What they care about are education and health care opportunities for their children, job creation and justice.

¶8. (C) Recent polls seem to bear this out. A recent "Informe Confidencial" poll showed Correa's support to be higher in the upper class (25%) than among the middle (14%) and lower classes (10%). Similarly, his support was highest among more educated voters (18% with university grads, 11% with high schoolers, just 9% among those with a primary education and only 4% among those without any formal education. His support is higher in the highlands (14%) than on the coast (10%), where he hails from and where populists predominate.

¶9. (C) We are less sanguine about Correa's hitherto limited public appeal. In Correa's favor is that he is smart, articulate, aggressive and telegenic, and a self-defined "Christian humanist of the left," all of which could reinforce his standing as the election goes forward and the

undecided begin deciding. Should he make the second round run-off on November 26, Correa's anti-systemic appeal could overwhelm a more conventional rival.

Comment

¶10. (C) Our interests in strengthening democratic institutions by supporting free, fair, transparent and inclusive elections, argue for strong USG support to the election observation mission being mounted by the OAS. Like other democratic institutions here, Ecuador's election authorities are weak and politicized. Outside observation is essential to building voter confidence in the process, visibly assuring skeptical Ecuadorians that authorities cannot commit abuses with impunity. Beyond supporting a clean electoral process, however, we have few levers to influence Ecuadorian voters. Ecuador's media elite is hyper-sensitive to perceived internal meddling, so overt attempts to influence voter decisions is fraught with risk.

¶11. (C) Privately, however, we have warned our political, economic, and media contacts of the threat Correa represents to Ecuador's future, and have actively discouraged potential alliances which could balance Correa's perceived radicalism. The Ambassador has also opened a personal dialogue with Correa, to avoid estrangement. (Correa recently characterized his relations with us as one of "mutual respect.") We will continue to monitor whether his campaign reaches out more effectively to the lowest rungs of Ecuadorian society. As noted by Andres Oppenheimer in the wake of the presidential debate he moderated, there are few signs that Ecuadorians or their candidates understand the dangers of supporting "populist politicians who promise magic solutions that haven't worked anywhere." We will be alert to signs that Ecuador's poorest voters break toward Correa in the final weeks of the campaign.

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